

Department of Public Health  
and Human Services

Section:  
NONFINANCIAL REQUIREMENTS

FAMILY MEDICAID

**DRAFT**

Subject:  
Health Coverage - HIPPS

**Supersedes:** FMA 307-1; 07/01/05

**References:** 42 CFR 433.136, .137-.140, .145-.148; ARM 37.82.101, .424, 37.85.407

**GENERAL RULE--As a condition of adult household members' eligibility**, all Medicaid households must cooperate with the Third Party Liability (TPL) Unit by cooperating with the HIPPS cost-effectiveness determination process and maintaining group health insurance that has been determined to be cost-effective through HIPPS (Health Insurance Premium Payment System).

## HIPPS

Medicaid will pay health insurance premiums for individuals if the TPL unit has determined the plan to be cost effective.

Medicaid will pay the group plan premiums or reimburse the recipient when the TPL Unit determines it is a cost-effective plan. When an ineligible family member must be enrolled in the group health plan to obtain coverage for the Medicaid eligible member (e.g., parent must be enrolled in order to enroll the child), Medicaid may also pay premiums for the ineligible family member.

**NOTE:** If group health insurance has been found to be cost-effective, the individual **must** maintain this insurance coverage. Dropping cost-effective group health insurance will result in termination of the adult's Medicaid coverage.

Medicaid will pay the recipient's private individual health plan when the TPL Unit determines it is cost effective.

**NOTE:** Medicaid may also pay premiums for some non-Medicaid eligible individuals under the COBRA 75 Program. (See FMA 308-1)

## ENROLLMENT GUIDELINES

When an individual who is already enrolled in a group health plan has cost effectiveness determined and becomes Medicaid eligible, premium payments will usually begin as of the date the Medicaid application is submitted to the OPA, or the month the completed HCS-449 is submitted to the OPA on an on-going case.



**NOTE:** Send the completed HCS-449 to the TPL Unit immediately upon receipt. If this step is overlooked, enrollment does not occur.

When the recipient has a waiting period before health insurance coverage begins, premium payments will begin as of the enrollment date.

## PROCEDURE

### Responsibility

### ACTION

► Applicant/  
Representative

1. Complete form HCS-250, "Application for Assistance", and provide required verification. An interview may be scheduled but cannot be required by the OPA.

Eligibility Case Mgr

2.
  - a. During the interview, if conducted, ask the applicant about health plan information. If no interview is held, review the application for health plan information and send a TEAMS notice requesting additional information, if necessary. It is necessary to determine if any family member is currently covered under any health plan (group or private), or eligible to enroll in a group health plan.

- b. Also inquire about health insurance coverage at redetermination and especially when a new job is reported. Even when coverage will not begin until a later date, the recipient should complete the HCS-449 and the electronic referral entered on TEAMS. The TPL Unit can then begin researching cost effectiveness. If determined cost effective, the TPL Unit can begin paying premiums earlier. **The TPL Unit cannot pay premiums retroactively.**

- c. If a group health insurance policy is determined to be cost-effective, the individual must maintain this coverage. Dropping cost-effective group health insurance will result in termination of the adult's Medicaid coverage.

►

If group health insurance was determined to be cost-effective and the individual either dropped the coverage or failed to enroll, they will remain disqualified until they are eligible to enroll and enroll in the group coverage during the next open enrollment period. If COBRA coverage was determined to be cost-effective and the individual either dropped COBRA or did not enroll, they will be disqualified until the COBRA enrollment period has expired (usually 60 days – disqualification would continue through the last day of the month in which the 60<sup>th</sup> day falls).

- d. Ask individuals about COBRA coverage when health insurance is lost (see FMA 308-1). COBRA coverage is usually available when group health insurance ends and enrollment must generally be completed within 60 days from the end of group coverage. For policies that the TPL Unit is already paying premiums on, notify the TPL Unit of possible COBRA coverage via e-mail. If a new applicant has COBRA coverage, have them complete the HCS-449 and enter the referral on the TEAMS TPLR screen.
- e. When an individual reapplies for Medicaid, a new referral should be completed whether the insurance is new or the same coverage they had previously. A new HCS-449 and electronic referral should be completed. **Do not** copy an old referral from the case file.

Applicant/  
Representative

- 3. Complete Form HCS-449, "Health Insurance Premium Payment Referral" for **each** available policy when any household member has health insurance or is eligible to enroll in a group health plan.

**NOTE:** All questions on the HCS-449 must be answered completely.

Eligibility Case Mgr

- 4. Each day, enter required information from all completed HCS-449s on the THPL and TPLR screens.

If the HCS-449 is completed, but other verification is still needed (i.e., a birth certificate), the THPL/TPLR screens should be completed. Do not wait until the other verification is received to complete the TPL referral on TEAMS.

If all questions on the HCS-449 are not answered, it should be returned to the applicant/recipient to complete. **Eligibility cannot be determined until the completed HCS-449 is received.**

Because the TPL carrier code and address are reported to medical providers for billing purposes, it is imperative the correct code be used. When choosing the carrier code, ensure the address on the list corresponds with the address where the recipient's medical claims will be sent.

Staff may contact ACS at (406) 443-1365 if assistance is needed to determine the correct carrier code, a carrier code needs to be assigned to a company not currently on the list, or insurance information must be changed on TEAMS.

**NOTE: ACS will make changes to information on the THPL screen only when requested by eligibility staff.**

- 5. On the same day the electronic TPL referral is entered, **fax both the front and back pages** of the completed HCS-449 to the TPL Unit at **1-800-457-1978** (444-1829 in Helena). If you need to call the TPL Unit, call 1-800-694-3084 (444-9440 in Helena). **All referrals must be sent electronically.**
- a. The back page of the HCS-449 contains information regarding covered services, prescriptions and illnesses that the TPL Unit needs in order to determine cost effectiveness.
  - b. Because the TPL Unit cannot assist with paying their premiums, **do not refer** Medigap (i.e., coverage for Medicare co-insurance and deductibles), Tri-Care, absent parent, accident-only or specific illness policies (e.g., cancer) unless the recipient has the illness. However, any of the above would be entered on the THPL screen if current, regardless of premium payment issues.
  - c. TPL Unit cannot assist with paying workers' compensation premiums. However, workers' compensation should be entered onto the system. If workers' compensation coverage is present and the eligibility case manager has information regarding services covered by workers' comp, he/she must also contact ACS in order to ensure that the workers comp coverage is appropriately coded in the system.
6. Notify the applicant of the eligibility determination.
- If health plan premiums are no longer the recipient's responsibility because they are being paid by HIPPS, they cannot be used to meet the recipient's incurment obligation. (FMA 703-1)
- Always allow the TPL Unit to determine a policy's cost effectiveness before sharing this information with the individual.
- TPL Unit 7. Determine whether it is cost effective for Medicaid to pay the health plan premiums.
8. When it is cost effective to pay health plan premiums, arrange payment (i.e., contact the applicant, employer and/or insurance company).

9. Notify eligibility case manager regarding cost effective for Medicaid to pay the recipient's health plan premiums.
10. If appropriate, obtain the recipient's enrollment application during the next open enrollment period.

## TEAMS PROCEDURE

### To complete an electronic HIPPS referral when there is new or existing insurance coverage:

1. When entering or modifying income on the EAIN screen:
  - a. Enter 'Y' in the "Premium Payment Referral Y/N" field if the HCS-449 has been completed. TEAMS will go to the THPL screen; OR
  - b. Enter 'N' in the "Premium Payment Referral Y/N" field if the HCS-449 has **not** been completed. The referral cannot be entered until the HCS-449 has been completed.

*Cooperation with this process is mandatory on the part of the recipient, and pursuit of the cooperation is required for the eligibility case manager.*

**NOTE:** If not entering or modifying income on EAIN, skip to step 2, below.

2. After entering 'Y' in the 'Premium Payment Referral Y/N' field or 'Nexting' to THPL:
  - a. Complete the THPL screen and press 'ENTER' if the recipient is already enrolled in the coverage. The TPLR screen will appear; OR
  - b. Skip the THPL screen and go to step 3 below, if the recipient is not yet enrolled (e.g., has a waiting period). Once the recipient is enrolled, 'Next' to THPL and complete the screen.
3. After completing the THPL screen or 'Nexting' to TPLR, complete all appropriate fields on the TPLR screen and press 'ENTER'. Completion of TPLR initiates the electronic referral.

TEAMS will automatically return to the THPL screen after TPLR has been completed. The message 'Premium Payment Referral Has Been Stored' will be displayed.

**Absent parent policies:**

1. 'NEXT' to THPL, complete screen and press 'ENTER'.
2.
  - a. Skip all fields on TPLR screen except the 'IS ABSENT PARENT RESP FOR HEALTH INS?' field. Enter 'Y' and indicate if coverage is current. Press 'ENTER'; OR
  - b. Press F2 to exit TPLR to avoid entering referrals on absent parent policies. (Do not 'NEXT' from this screen, as this will cause a blank referral to be sent to TPL.)

KQ/nc

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